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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1967.

No. 920.

THEODORE C. GERNER,
Petitioner,

vs.

MOOG INDUSTRIES, INC.,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT.

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INTRODUCTION.

This cause of action is a typical case of patent infringement which must depend for decision entirely upon its own facts. Two courts below have unanimously resolved the disputed questions of facts and the applicable law in favor of the Respondent, and under this state of the case the Petition for Writ of Certiorari should be denied.

The questions presented as stated in the Petition are:

I. Whether a patent can be adjudicated invalid where only certain of the claims thereof are put in issue; and

II. Whether, in considering the conditions for patentability under 35 U. S. C. 103, this Court's opinion in Graham v. John Deere Co., 383 U. S. 1, requires a specific determination of (a) the scope and content of the prior

art; (b) the difference between such prior art and the patent claims in suit; and (c) the level of ordinary skill in the pertinent art.

The questions proposed by Petitioner are not those which this Court should consider for the following reasons:

1. The Petitioner does not set forth any special and important reasons for granting Certiorari as required by Rule 19 of the Supreme Court of the United States.

2. While Petitioner's first question is premised on the allegation of a conflict between two Circuit Courts of Appeals on the same legal proposition, it will appear presently that nothing could be farther from the fact because the legal proposition placed before the respective Circuit Courts of Appeal are entirely different.

3. If the Petitioner desired the District Court's opinion to be more analytical and to make more detailed comparisons with prior art, and particular mention of claims 2, 3, 6 and 7, then he should have made a motion to that effect in the District Court, and should also have included such questions and issues in his motion for rehearing filed in the Court of Appeals. Under the decisions of this Court, questions and issues not raised in the Court below cannot be for the first time considered by this Court.

4. It will appear from the decisions of both Courts below that each was fully cognizant of the conditions for patentability under 35 U. S. C. 103, and the opinions rendered clearly reflect the court's awareness of the Graham v. John Deere decision of 383 U. S. 1.

SUMMARY OF FACTUAL BACKGROUND.

Respondent is in disagreement with Petitioner's statement of the case. Petitioner continues to argue the merits of the patent and criticizes the decision of the District Court. These are matters which the Court of Appeals has

considered and with which it agreed. Petitioner has failed to present an adequate background that is relevant and significant to the questions presented for review.

Respondent's view of pertinent and relevant background for the first question presented is this:

The action in the District Court for the Eastern District of Missouri, Eastern Division, was instituted December 1, 1964, by Petitioner filing its Complaint alleging, in paragraph 6, that "Defendant has infringed and still is infringing said Letters Patent No. 3,044,798 by making, selling, and/or using replacement units for idler arm bracket embodying the invention of said Letters Patent, and will continue to do so unless enjoined by this Court". Petitioner also in its Prayer for Relief asked "That a preliminary and final injunction issue against further infringement by Defendant and those controlled by Defendant of Plaintiff's Patent Right in U. S. Letters Patent No. 3,044,798".

Respondent filed its Answer to Petitioner's Complaint on December 18, 1964, denying any infringement and after setting forth affirmative defenses that the patent was invalid filed a counterclaim under 28 U. S. C. 2201, and therein stated that "Defendant avers that the patent 3,044,798 set forth in paragraph 5 of the Complaint is invalid because of anticipation and/or lack of invention over the prior art set forth in 'Schedule A' attached and made a part of Defendant's Answer; and are further invalid for the reasons asserted in the Third through the Eleventh Defenses comprising paragraphs 9 to 17 of said Answer, the allegations of which are incorporated in this counterclaim by reference".

At the trial, counsel for Petitioner, in his opening remarks, made the following statement, "There are several claims in this Gerner patent in suit. Only one of these claims is what we will really be talking about, that is

claim 1. We have said in our trial brief particularly claims 1, 4 and 5 because we consider all of these to be infringed by the Defendant, but we will be talking particularly about claim 1, and this will, I hope, reduce the length of time it takes". Counsel for Respondent, at the conclusion of his opening remarks, made the following statement, "I agree with counsel for Plaintiff that we can confine the examination of the patent to claim 1 because that is the broadest claim in the patent and the language in claim 1 will be further repeated in all of the other claims,—the important language".

At the conclusion of the trial the court asked counsel to prepare Proposed Findings of Facts and Conclusions of Law. Counsel for Petitioner submitted findings, the pertinent ones of which are paragraphs 4, 5 and 6 as follows:

"4. The Gerner invention as defined in claim 1 of the Gerner patent is not disclosed in any of the references relied upon by the Defendant, particularly the Ingersoll and Swiss patents, or any combination thereof;

5. The Gerner invention as defined in Claim 1 of the Gerner patent was not obvious at the time of the Gerner invention to one skilled in the art and represents a patentable and highly commercial improvement in the industry;

6. The Gerner patent, and specifically claim 1, is valid."

Counsel for Petitioner submitted proposed Conclusions of Law and stated in paragraphs 5 and 8 thereof the following:

"5. Defendant has infringed claims 1, 4 and 5 of the Gerner patent in suit by its sale of idler arms illustrated at PX-8-A through 8-R.

8. Defendant's counterclaim as to all counts is without merit and shall be dismissed with prejudice."

Respondent's counsel, however, in its proposed finding, paragraph 4, stated the following:

"4. This is an action for infringement of the Gerner patent 3,044,798 and at the opening of the trial on the merits the Plaintiff limited its charge of infringement to claims 1, 4 and 5 with claim 1 being exemplary of the infringement issue."

And in the proposed Conclusions Respondent's counsel made the following statements in paragraphs 2, 3 and 7:

"2. Defendant has discharged its burden of showing non-infringement of claims 1, 4 and 5 of Gerner patent 3,044,798 by its sale of idler arms illustrated in drawing PX-8A through 8R.

3. In view of the prior art not considered by the Patent Office the presumption of validity of the Gerner patent is rebutted and claims 1, 4 and 5 are invalid if construed broadly enough to cover defendant's idler arms.

7. If the Plaintiff contends that the patent claims as issued are to be interpreted in accordance with the claims originally filed and amended, then the patent is invalid by anticipation by the prior art."

Petitioner's reply brief in the District Court concluded with the statements, "That the accused Moog idler arm structure constitutes an infringement of the Gerner patent claim 1; and that the Gerner patent is valid".

It will be noted in Petitioner's Appendix A, page 1a, that the District Court Memorandum contained the following comment: "This is an action for infringement of the Gerner patent, particularly claims 1, 4 and 5 . . ., the Plaintiff relies on claim 1 as being exemplary of the infringement issue". The conclusion reached by the District Court was that "The Gerner patent, when considered with the prior art and particularly that not cited by the Patent

Office is invalid because the combination of old elements is obvious to anyone of ordinary mechanical skill."

(See Petitioner's Appendix A, page 9a.)

The Court of Appeals in its Decision stated "The sole issue for determination upon this appeal is the validity of U. S. patent No. 3,044,798 which issued to Theodore C. Gerner on July 17, 1962 . . . Moog denied infringement and additionally set up as a defense the invalidity of the patent".

(See Petitioner's Petition Appendix B in page 14a.)

As the Court of Appeals stated, the sole issue is the determination of validity or invalidity of U. S. Patent 3,044,798, and nowhere in the record below has Petitioner ever appealed from the District Court's decision that the patent was invalid in toto. Neither has Petitioner clearly asserted that only claims 1, 4 and 5 were to be adjudicated. For example: Following the decision of the Court of Appeals which affirmed the District Court, Petitioner asked for a rehearing "directed specifically to the testimony of Defendant's expert insofar as it conflicts with the testimony of Plaintiff's expert and demonstrable evidence". The Petition for rehearing has not been reproduced by Petitioner in the Appendix to the Petition for Writ of Certiorari. Therefore such missing document is reproduced herein as Appendix I.

DISCUSSION OF QUESTION I.

Petitioner seeks determination of the question "Whether a patent can be adjudicated invalid where only certain of the claims thereof are put in issue".

The courts have recognized that, aside from the private rights of the parties in patent litigation, it is in the public interest that all questions relative to the validity of the claims of a patent should be litigated and determined. In

Kawneer Co. v. Pittsburg Plate Glass Co., 103 F. Supp. 671, 676; 93 U. S. P. Q. 3, 7, it was said:

> "On the other hand, it was held that in view of Rule 41(a), a counterclaim seeking declaratory relief on the issues involved in the main action is redundant and should be stricken. *However, the Supreme Court has now settled the question that in a patent infringement suit, the defendant can by counterclaim seeking a declaratory judgment assert the invalidity of the patent.*"

What Petitioner is attempting to do now is to have a review of the issue of validity of claim 1 under the cloak of an argument that the courts below went too far in declaring all claims of his patent invalid when only claims 1, 4 and 5 were in issue. What actually happened in the District Court is that Petitioner directed the Court's attention to claim 1 as the language thereof expressed the essence of the subject matter of the infringement and was typical of the language in all claims. Respondent did not move to withdraw claims 2, 3, 6 and 7 from the case, thereby in effect conceding that the validity or invalidity of claim 1 would decide the validity or invalidity of all of the claims. **Sterling Aluminum Products, Inc. v. Bohn Aluminum & Brass Corp.**, 298 F. 2d 538, 132 U. S. P. Q. 365 (CA 6—1962).

In a comparable situation in **Lockner Co., Inc. v. Quehl Sign Co.**, 145 (CA 6—1944) F. 2d 932, 934, the court said:

> "In addition, we think the case is squarely controlled by rule 41 (a) (2) of the Federal Rules of Civil Procedure, . . . which provides, 'If a counterclaim has been pleaded by a defendant prior to the service upon him of the plaintiff's motion to dismiss, the action shall not be dismissed against the defendant's objection unless the counterclaim can remain pending for independent adjudication by the court'." See also

2 Barron and Holtzoff, Federal Practice and Procedure, Sec. 913, pp. 623-625.

The Lockner decision was followed in **Oswego Falls Corporation v. American Seal-Kap Corporation,** D. C. E. D. N. Y. —1946, 65 F. Supp. 338, 69 U. S. P. Q. 155.

In view of the above cases, claims of a patent can be adjudicated invalid in toto, regardless of the number of claims that are put in issue, particularly where the alleged infringer by a counterclaim, timely asserted, puts the validity of the entire patent and all its claims in issue. It is Respondent's contention that Petitioner not only cannot raise the issue of adjudication of only certain of the claims in its patent in view of the Answer and Counterclaim, but presents the issue for the first time too late for this Honorable Court to entertain the instant Petition. The decisions of the Supreme Court hold that questions and issues not presented to the lower courts for their decision will not be considered by the Supreme Court. **Walters et al. v. City of St. Louis et al.,** 347 U. S. 231, 233 (2), 74 S. Ct. 505, 507. **Congress of Industrial Organizations et al. v. McAdory, County Solicitor, et al.,** 325 U. S. 472, 477, 65 S. Ct. 1395, 1398.

DISCUSSION OF QUESTION II.

The Petitioner's second Question asks "whether in considering the conditions for patentability under 35 U. S. C. 103, this Court's Opinion in Graham v. John Deere Co., 383 U. S. 1, requires specific determination of (a) the scope and content of the prior art; (b) the difference between such prior art and the patent claims in suit; (c) the level of ordinary skill in the pertinent art."

On the second question it appears from the record, particularly the Memorandum Decision of the District Court below, that the lower court fully considered the scope and content of the prior art. The Memorandum Opinion pre-

sented a patent by patent discussion of the prior art. (See Petitioner's Appendix A, pages 7a and 8a.) In the same Memorandum Decision the differences between the prior art and exemplary claim 1 of the patent were fully set forth (Petitioner's Appendix A, pages 7a and 8a, and 9a). As to the level of ordinary skill in the pertinent art, the District Court's Memorandum Opinion presented a characterization of Petitioner's patent and Respondent's accused devices and then discussed in detail the applicability of the Graham v. John Deere Co. Decision (See Petitioner's Appendix A, pages 2a through 6a).

The answer to Petitioner's second question is obvious that the Supreme Court does require a determination of the scope and content of the prior art, the differences between the prior art and the patent claims, and the level of ordinary skill in the pertinent art. The record below is abundantly clear that the District Court made specific determinations in each of these areas for investigation and consideration.

The Court of Appeals also made its own determination of each of the three points which the Graham v. John Deere decision laid down (See Petitioner's Appendix B, pages 15a through 19a).

DISCUSSION OF PETITIONER'S LEGAL AUTHORITIES.

On the issue of invalidity of certain claims which Petitioner now argues were not before the courts below, Petitioner has cited a case from the Third Circuit Court of Appeals (1962) Chemical Construction v. Jones and Laughlin Steel Corporation, 311 F. 2d 367. Petitioner also cites Ensten v. Simon Ascher Co., 282 U. S. 445.

The "Chemical Construction" case involved a suit for patent infringement in which less than all of the claims

were placed in issue, and those few claims were held invalid. However, the case stands only for the proposition that claims not put in issue by either party are not to be ruled on by the court as any determination as to their validity might be error. The reason for this holding is based on the disclaimer statute, 35 U. S. C. 253 which requires the patent owner to file a disclaimer as to any claims in his patent, less than all of the claims, that are held invalid, if the remainder of the claims are to remain presumably valid.

It is significant that in this case relied on by Petitioner, neither party put in issue all of the claims of the patent. Therein lies the distinction with the case at Bar. Here Petitioner put all of the claims of its patent in issue in the Complaint and Respondent by its counterclaim also placed all of the claims of the Petitioner's patent in issue. Now, after both courts below have held all of the claims invalid, the Petitioner wants to salvage something by belatedly disputing the issue that only certain claims were placed in issue before the courts below. It was held in Hap Corporation v. Heyman Manufacturing Co. (C. A. 1—1962), 311 F. 2d 839, 844, that:

> "Not having disputed the issue of validity below, it (Heyman) cannot do so now in order to obtain a reversal. It is not enough that the record may contain evidence on which appellant may piece together a case". Fleming v. VanDerLoo, 1947, 82 U. S. Appeal D. C. 74, 160 F. 2d 906. It is now too late. Maloney v. Brandt, C. A. 7, 1941—123 F. 2d 779.

Petitioner also relies on Ensten v. Simon Ascher Co., 282 U. S. 445, 51 S. Ct. 207, 1931. In this case Plaintiff Ensten brought suit on his patent and the District Court held claims 1, 3, 4 and 5 valid and claim 2 invalid. Defendant appealed from the holding of validity of claims 1, 3, 4 and 5 but Ensten did not appeal and therefore the validity of claim 2 was not before the Court of Appeals.

Twenty-three months after the original decision, and six months after the mandate went down, Ensten filed a disclaimer as to claim 2. Thereafter Ensten brought suit against the original Defendant on the same patent and on Defendant's Motion to Dismiss for unreasonable delay in disclaiming the invalid claim 2, the motion was sustained (See 13 F. 2d 132). Thus, Ensten stands for the proposition that unreasonable delay in filing a disclaimer in respect of a claim or claims adjudicated invalid is sufficient to hold the remaining unadjudicated claims invalid, also. Obviously, the Ensten decision does not apply to the facts at Bar because Petitioner has not exhausted available remedies and has not allowed appeal times to lapse which seems necessary to make the disclaimer statute applicable.

Petitioner also relies on Graham v. John Deere Co., 383 U. S. 1, 86 S. Ct. 685 (1966). In this decision the court emphasized that 35 U. S. C. 103 placed emphasis on an inquiry as to non-obviousness and not on quality. It pointed out that the inquiry should include the scope and content of the prior art, the differences between prior art and the claims at issue, and the level of ordinary skill. Against this background of inquiry the obviousness is to be determined and the Supreme Court concluded that the Patent Office and the courts must look more intently on the requirements of Section 103. Petitioner has reproduced in Appendix A the decision of the District Court below and in Appendix B the decision of the Eighth Circuit Court of Appeals. The District Court had before it and considered the decision in Graham v. John Deere Co., because that case is cited in the Memorandum Opinion (See page 6a of Appendix A). Therefore, there can be no doubt that due consideration was given to the opinion of the Supreme Court, and there appears to be no ground for stating that the District Court ignored the admonition from the Supreme Court to the courts below to look more intently into the requirements of 35 U. S. C. 103.

The decision handed down by the Eighth Circuit Court of Appeals (Appendix B), page 18a, clearly shows that the trial court's opinion not only reflects an intimate knowledge of the structure and function of the patented device but a strict adherence to the teaching of the Supreme Court in Graham v. John Deere Co.

CONCLUSION.

Respondent's counterclaim in the court below was intended to seek an adjudication of the invalidity of the entire patent and all its claims. There is a public interest in patent litigation to the extent that all questions relative to the validity of the claims of a patent should be litigated and determined. **Sinclair & Carroll Co., Inc. v. Interchemical Corporation,** 325 U. S. 327, 65 S. Ct. 1143. In that case the court said (page 330):

> "There has been a tendency among the lower federal courts in infringement suits to dispose of them where possible on the ground of non-infringement without going into the question of validity of the patent. Irvin v. Buick Motor Co., 88 F. 2d 947, 951 (33 U. S. P. Q. 60, 64); Aero Spark Plug Co. v. B. G. Corp., 130 F. 2d ... (54 U. S. P. Q. 348); Franklin v. Masonite Corp., 132 F. 2d 800 (56 U. S. P. Q. 71). It has come to be recognized, however, that of the two questions, validity has the greater public importance, Cover v. Schwartz, 133 F. 2d 541 (56 U. S. P. Q. 37, 188) and the District Court in this case followed what will usually be the better practice by inquiring fully into the validity of this patent."

This case has involved questions of facts and conclusions of law which the two courts below have unanimously agreed upon. The judgment does not present a "real" conflict with the decisions of the United States Supreme Court or of Courts of Appeal of other circuits. There ap-

pears to be no special or compelling reason for granting the Writ of Certiorari under the Rules and decisions of the Supreme Court.

For the foregoing reasons, the Petition for a Writ of Certiorari should be denied.

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